

This requirement includes provisions to inform and distribute written information to adult individuals concerning policies on advance directives, including a description of applicable State law. Such information must reflect changes in State law as soon as possible, but no later than 90 days after the effective date of the State law.

[60 FR 33293, June 27, 1995]

**§ 434.29 Choice of health professional.**

The contract must allow each enrolled recipient to choose his health professional in the HMO or the PHP to the extent possible and appropriate.

**§ 434.30 Emergency medical service.**

If the contract covers emergency medical services, it must—

(a) Provide that all covered emergency services are available 24 hours a day and 7 days a week, either in the contractor's own facilities or through arrangements, approved by the agency, with other providers;

(b) Specify the circumstances under which the emergency services will be covered when furnished by a provider with which the contractor does not have arrangements, including at least the following circumstances:

(1) The services were needed immediately because of an injury or sudden illness; and

(2) The time required to reach the contractor's facilities, or the facilities of a provider with which the contractor has arrangements, would have meant risk of permanent damage to the recipient's health; and

(c) Specify whether it is the contractor, or the agency, that will make prompt payment for covered emergency services that are furnished by providers specified in paragraph (b) of this section.

**§ 434.32 Grievance procedure.**

The contract must provide for an internal grievance procedure that—

(a) Is approved in writing by the agency;

(b) Provides for prompt resolution; and

(c) Assures the participation of individuals with authority to require corrective action.

**§ 434.34 Quality assurance system.**

The contract must provide for an internal quality assurance system that:

(a) Is consistent with the utilization control requirement of part 456 of this chapter;

(b) Provides for review by appropriate health professionals of the process followed in providing health services;

(c) Provides for systematic data collection of performance and patient results;

(d) Provides for interpretation of this data to the practitioners; and

(e) Provides for making needed changes.

[48 FR 54013, Nov. 30, 1983; 49 FR 9173, Mar. 12, 1984]

**§ 434.36 Marketing.**

The contract must specify the methods by which the HMO or PHP will assure the agency that marketing plans, procedures, and materials are accurate, and do not mislead, confuse, or defraud either recipients or the agency.

[53 FR 12016, Apr. 12, 1988]

**§ 434.38 Inspection and audit of HMO's financial records.**

A risk comprehensive contract with an HMO must provide that the agency and the Department may inspect and audit any financial records of the HMO or its subcontractors relating to the HMO's capacity to bear the risk of potential financial losses.

**Subpart D—Contracts With Health Insuring Organizations**

SOURCE: 55 FR 51295, Dec. 13, 1990, unless otherwise noted.

**§ 434.40 Contract requirements.**

(a) Contracts with health insuring organizations that are not subject to the requirements in section 1903(m)(2)(A) must:

(1) Meet the general requirements for all contracts and subcontracts specified in § 434.6;

(2) Specify that the contractor assumes at least part of the underwriting risk and;